

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 COME-00 SP-03 AID-05 EB-06 NSC-04

RSC-01 CIEP-01 TRSE-00 SS-20 STR-04 OMB-01 CEA-01

DRC-01 PA-02 PRS-01 USIA-12 CIAE-00 INR-11 NSAE-00

L-03 H-01 INT-01 FEAE-00 FTC-01 EURE-00 /105 W

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P 041700Z OCT 74

FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC PRIORITY 0228

INFO AMEMBASSY ANKARA PRIORITY

AMEMBASSY ATHENS PRIORITY

AMEMBASSY LONDON PRIORITY

C O N F I D E N T I A L NICOSIA 3478

E. O. 11652: GDS

TAGS: PINT PFOR EINV CY

SUBJECT: TURK CYPRIOT REQUIREMENT FOR REGISTRY OF COMMERCIAL
COMPANIES

1. FOLLOWING IS TEXT OF ANNOUNCEMENT SEPTEMBER 12, 1974, BY
"AUTONOMOUS CYPRUS TURKISH ADMINISTRATION":

BEGIN QUOTE. IT IS HEREBY NOTIFIED FOR GENERAL INFORMATION THAT
THE AUTONOMOUS CYPRUS TURKISH ADMINISTRATION HAS UNDER
ITS DECISION NO. 5523 DATED 27 AUGUST 1974, DECIDED THAT
THE PROVISIONS OF THE COMPANIES LAW (CAP. 113) AND THE
PARTNERSHIP LAW (CAP. 116) SHALL BE APPLIED TO ALL KINDS
OF COMPANIES AND PARTNERSHIPS OR BUSINESSES FUNCTIONING OR
CARRYING ON BUSINESS IN THE TURKISH-CONTROLLED AREAS,
NOTWITHSTANDING THAT THEY HAVE ALREADY BEEN REGISTERED
BY OR AT ANY OTHER AUTHORITY OR OFFICE, AND THAT ALL
SUCH COMPANIES OR PARTNERSHIPS OR BUSINESSES MUST
IMMEDIATELY AND IN ANY CASE NOT LATER THAN ONE MONTH FROM
TODAY COMPLY WITH THE PROVISION OF THE SAID LAWS, BY APPLYING
TO THE TURKISH OFFICIAL RECEIVER AND REGISTRAR'S OFFICE, NICOSIA.
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THOSE WHO FAIL TO COMPLY WITH THE PROVISIONS OF THESE LAWS SHALL

HAVE TO SUFFER THE LEGAL CONSEQUENCES ENVISAGED THEREIN". END QUOTE.

2. FIRST COMPLAINT TO EMBASSY HAS BEEN BY CYPRUS MINES CORPORATION (CMC) OF LOS ANGELES, WHOLLY AMERICAN-OWNED CORPORATION WHICH OPERATES COPPER AND IRON PYRITE MINES AT SKOURIOTISSA, NEAR LEFKA ON MORPHOU BAY. ON OCTOBER 1 ALAN BAKEWELL, CMC MANAGER, REQUESTED EMBASSY'S ADVICE ON HOW TO RESPOND TO TURK REQUIREMENT. HE POINTED OUT THAT MINE OPERATION LOCATED IN GREEK TERRITORY WHILE PROCESSING MILL IN AREA CONTROLLED BY TURK MILITARY AND "AUTONOMOUS CYPRUS TURKISH ADMINISTRATION." GREEK CYPRIOTS (GOCYPRUS) HAVE INFORMED BAKEWELL THAT COMPLIANCE WITH TURK ORDER COULD MEAN CLOSING DOWN OF MINE AND POSSIBLE SEIZURE. TURKS HAVE MADE IT CLEAR THAT NONCOMPLIANCE BY OCTOBER 11 WOULD LEAVE CMC LIABLE TO "SUFFER THE LEGAL CONSEQUENCES" OF TURKISH LAW REFERRED TO IN SEPTEMBER 12 ORDER.

3. WHILE RECOGNIZING SEPTEMBER 12 ANNOUNCEMENT AS YET ANOTHER TACTIC ON PART TURK ADMINISTRATION TO ENHANCE AUTHORITY IN AREAS UNDER DE FACTO TURK CONTROL, WE DECLINED TO OFFER CMC ADVICE ONE WAY OR THE OTHER. WE NOTED THAT INDIVIDUAL COMMERCIAL COMPANY WOULD PROBABLY WISH TO MAKE OWN DECISION AS TO WHERE BEST INTEREST LIES AND THEN ACT ACCORDINGLY. BAKEWELL NOT PARTICULARLY PLEASED BY THIS ANSWER BUT ACCEPTED IT. IT APPEARS THAT HE PLANS REGISTER CMC WITH TURKS OR AT LEAST REQUEST DELAY UNTIL HE CAN CONSULT HEAD OFFICE.

4. MOBIL OIL (CYPRUS) LTD. MANAGER RONALD HUGHES CALLED ON AMBASSADOR AND ECONOFF OC 1 FOR DISCUSSION OF SAME SUBJECT. MOBIL'S DEALERSHIPS IN TURK ZONE FORMERLY ACCOUNTED FOR 40 PERCENT OF ANNUAL SALES. NOW, TURK CYPRIOTS ARE BEING INSTALLED IN FORMER GREEK CYPRIOT DEALERSHIPS, RESUMING OPERATIONS WITH GAS IMPORTED FROM TURKEY. MOBIL HAS NOT RECEIVED GOC WARNING ABOUT CONSEQUENCES OF REGISTRATION WITH TURK CYPRIOT AUTHORITIES; HUGHES HOPES POSTPONE DECISION AND RETAIN OPTIONS BY STATING MATTER UNDER CONSIDERATION IN LON HEADQUARTERS. AMBASSADOR ADVISED HUGHES ALONG LINES PARA 3 AND NOTED THAT HUGHES' THOUGHTS ON TEMPORIZING MIGHT BE BEST APPROACH FOR PRESENT.

5. UK HICOM, WHICH HAS HAD DOZENS OF INQUIRIES FROM NUMEROUS CONFIDENTIAL

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BRITISH COMPANIES DOING BUSINESS ON BOTH SIDES OF LINE, FINDS ITSELF IN MORE UNCOMFORTABLE POSITION. HICOM HAS NOTIFIED BRITISH COMPANIES HAVING INTERESTS IN CYPRUS OF TURKISH REGISTRY REQUIREMENT AND HAS OFFERED TO CONVEY REQUESTS FOR SUCH REGISTRY TO TURKISH ADMINISTRATION AUTHORITIES IN NICOSIA, THEREBY AVOIDING TRANSMISSION OF THESE REQUESTS TO "AUTONOMOUS CYPRUS TURKISH ADMINISTRATION" OFFICE IN MERSIN, TURKEY. HICOM COMMERCIAL SECTION HAS NOT REPEAT NOT SENT ANY ACCOMPANYING

OFFICIAL LETTER OR OTHERWISE IMPLIED ITS ENDORSEMENT OF REGISTRATION PROCESS BUT HAS MERELY TRANSMITTED FORMS TO APPROPRIATE TURK OFFICE HERE.

6. DEPARTMENT'S COMMENT ON ABOVE WOULD BE APPRECIATED.
CRAWFORD

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Message Attributes

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